

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

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Employer Identification Number:

Contact Person - ID

Contact Telephone Number:

UIL 4945.04-04

Dear :

We have considered your request for advance approval of your grant-making program under section 4945 (g)(1) of the Internal Revenue Code, dated August 4, 2009.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program that will be awarding scholarships to individuals who show the potential and the desire for academic achievement in areas of study relating to the advancement of nonviolence and freedom. Such grants will be made in the furtherance of the grantee's education at an educational institution described in Section 170(b)(1)(A)(ii) of the Code. Applicants may be located anywhere and the programs are not intended to be limited geographically.

The specific criteria for eligibility for selecting recipients for grants will include consultation with the educational institution's academic advisors and others familiar with an applicant's potential and desire for academic achievement and a review of the applicant's transcripts, academic records and application materials (such as essays and references) and interviews.

The selection committee will consist of the your Board members. Members of the selection committee will not derive a private benefit, either directly or indirectly, from the selection of any grantees over others. The members of the Board will select recipients on an objective and nondiscriminatory basis. Individuals who are employees, members of the Board of Directors, or persons related to them by blood or marriage will not be eligible for the scholarships.

All scholarship amounts will be paid directly to the educational institutions. You will be making primarily single-year grants, however, you may develop

criteria for grant renewal if appropriate, depending upon the amount of funding available, the quality of applicants, and the Foundation's needs as determined by the Board. Prior to disbursement of funds, grant recipients will be required to agree in writing to submit reports to you at least annually, verified by the educational institution. You will monitor and evaluate the recipient's use of funds. You may interview grant recipients or require them to report, or make presentations to you about the progress of their studies. Failure to issue a report, or any apparent misuse of funds, will be promptly investigated, and further disbursements, if any, will be held until the completion of any investigation. You will take all reasonable and necessary steps to (1) recover grant funds, or (2) ensure restoration of funds and their dedication to the purposes the grant funds are financing.

You agree to maintain records which include the following:

- a. Information used to evaluate the qualification of potential grantees, including any recommendations;
- b. Identification of the grantees (including any relationship of any grantee to the private foundation);
- c. The amount and purpose of each grant; and all requirements imposed on the grantee with respect thereto;
- d. All grantee reports and other follow-up data obtained in administering the private foundation's grant program.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

In addition, we have determined that awards made under your procedures are excludable from the gross income of the recipients subject to the limitations provided by section 117 of the Code.

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(1) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements